GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:69
ANSWERED ON:24.07.2006
AGRI BUSINESS PROJECT DEVELOPMENT
Veerendra Kumar Shri M.P.

Will the Minister of AGRICULTURE be pleased to state:

(a) the highlights of Agri Business Project Development through Venture Capital participation drawn up by Small Farmers Agri Business Consortium (SFAC);

(b) whether the Union Government has taken note of the above; and

(c) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) to (c): The Ministry of Agriculture is implementing a Venture Capital Scheme for Agri- Business Development through Small Farmers` Agri-Business Consortium, an autonomous organization under this Ministry to facilitate setting up of agri-business ventures in close association with Banks, catalyze private investment in setting up of agri-business projects and thereby providing assured markets to producers for increasing rural income and employment and strengthen backward linkages of agri-business projects with producers. Venture capital assistance is provided to eligible projects in the form of equity upto an extent of 26% of the project equity or 10% of the total project cost or Rs.75 lakhs , whichever is less. The scheme has been approved on 19th July, 2005 with an outlay of Rs. 48.00 crore during Tenth Plan Period. So far, SFAC has sanctioned venture capital assistance of Rs. 12.81 crore for 44 projects during 2005-06 and 8 projects during 2006-07.